

FISCAL NOTE

HB 2889 - SB 2936

February 20, 2002

SUMMARY OF BILL: Revises the insurance laws in Tennessee to bring them in line with uniform laws concerning insurance agent licensing and reciprocal agreements for licensing out of state agents and provides for the licensure of certain insurance agencies.

ESTIMATED FISCAL IMPACT:

Increase State Revenues - Exceeds \$500,000 One-Time FY03
Exceeds \$300,000 Recurring FY04 and thereafter
Increase State Expenditures - \$75,000 Recurring
\$11,300 One-Time

Estimate assumes:

- an increase in state revenues from the collection of licensing fees. The fiscal impact for any persons who receive licensure and pay fees under the provisions of this bill who cannot receive licensure under current law cannot be determined but is estimated to be not significant. Under the provisions of this bill, an insurance agency would be required to obtain a license. The Department of Commerce and Insurance estimates that 10,000 agencies would pay an initial fee of \$50 and an annual renewal fee of \$30.
- an increase in state expenditures for 2 positions and related expenses to implement the provisions of this bill.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.



James A. Davenport, Executive Director

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